

Message Text

CONFIDENTIAL

PAGE 01 STATE 076654

73

ORIGIN SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 R

DRAFTED BY EA:MSTEARNS:MAC

APPROVED BY EA:MSTEARNS

S/S-O: W.NEWLIN

----- 076426

O 152358Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON IMMEDIATE

C O N F I D E N T I A L STATE 076654

EXDIS

E.O. 11652: GDS

TAGS: MARR, VS

SUBJECT: ICCS FINANCIAL CRISIS

REF: SAIGON 4797

1. STEARNS CALLED ACTING PRESIDENT GRUNDY OF AIR AMERICA THIS AFTERNOON AND TOLD HIM THAT WE WERE ENDEAVORING ON URGENT BASIS TO EAR MARK SUPPORTING ASSISTANCE FUNDS FOR PAYMENT OF AIR AMERICA SERVICES THROUGH 30 JUNE. STEARNS EMPHASIZED TO GRUNDY THAT ANY SUSPENSION OF AIR AMERICA SERVICES MIGHT BE SEIZED ON BY COMMUNIST MEMBERS AS PRETEXT FOR WITHDRAWING FROM REGIONAL POSTS AS THEY HAD DONE LAST FALL. WE WISHED IF AT ALL POSSIBLE TO AVOID FURTHER DIMINUTION OF ICCS PRESENCE OUTSIDE OF SAIGON AND THEREFORE HOPED AIR AMERICA WOULD CONTINUE SERVICES WHILE WE WERE SOLVING FUNDING PROBLEMS. IN RESPONSE TO QUERY FROM GRUNDY, STEARNS SAID HE HOPED FUNDS WOULD BE AVAILABLE BY MID-MAY.

2. GRUNDY SAID THAT AIR AMERICA ACCOUNTS INDICATED THAT FOLLOWING MOST RECENT PAYMENT ICCS ARREARS TO AIR AMERICA STOOD AT 374,155 DOLLARS. SINCE ICC INDEBTEDNESS TO AIR AMERICA ACCUMULATES AT A RATE OF 13,000 DOLLARS PER DAY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 076654

THIS WOULD MEAN THAT BY MID-MAY TOTAL DEBT WOULD AMOUNT TO

APPROXIMATELY 1.1 MILLION DOLLARS. THIS WAS A LARGE AMOUNT TO CARRY ON THE BOOKS, NEVERTHELESS, GRUNDY AGREED TO RAISE

THE MATTER AT AIR AMERICA'S BOARD MEETING IN NEW YORK APRIL 16. AT THAT TIME HE WOULD CONVEY TO THE BOARD OUR ASSURANCES THAT WE WERE SEEKING TO COVER SHORT-FALL WITH FUNDS FROM SUPPORTING ASSISTANCE. HE COULD NOT REPEAT NOT PREDICT WHAT THE BOARD'S REACTION WOULD BE. HE ASSURED STEARNS HOWEVER THAT AIR AMERICA WOULD TRY TO BE AS HELPFUL AS IT COULD BE WITHIN THE REQUIREMENTS OF PRUDENT MANAGEMENT.

3. GRUNDY ALSO ASSURED STEARNS THAT, WHATEVER BOARD'S DECISION MIGHT BE, AIR AMERICA WOULD NOT REPEAT NOT SUSPEND SERVICES WITHOUT GIVING US FURTHER ADVANCE NOTICE. HE SAID HE WOULD CALL STEARNS APRIL 17 TO GIVE HIM RESULTS OF BOARD MEETING RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, TRUCE OBSERVERS, FINANCIAL CONTRIBUTIONS, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 APR 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE076654
Document Source: CORE
Document Unique ID: 00
Drafter: MSTEARNS:MAC
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740087-0091
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740441/aaaablaw.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: SAIGON 4797
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2002 by izenbei0>; APPROVED <13 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ICCS FINANCIAL CRISIS
TAGS: MARR, VS, ICCS
To: SAIGON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005